

## Message Text

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14

ACTION TRSE-00

INFO OCT-01 EA-11 ADP-00 NEA-10 IO-13 CEA-02 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 SS-15 STR-08 OMB-01 CIAE-00

COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06

SIL-01 SCI-06 L-03 H-02 PA-03 USIA-12 PRS-01 RSR-01

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R 120652Z JUL 73

FM AMEMBASSY MANILA

TO AMEMBASSY SEOUL

INFO SECSTATE WASHDC 6555

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USADB

E O 11652: ADS, DECLAS 1-12-73

TAGS: EAID, EFIN, KS

SUBJ: ADB METROPOLITAN WATER INTAKE PROJECT AND U.S. PROCUREMENT

REF: A) SEOUL 3451; B) MANILA 12460; C) SEOUL 7149

1. HERBERT J. FLYNN, MANAGER MARKET DEVELOPMENT, INTERNATIONAL OPERATIONS, INTERPACE CORP DUE VISIT SEOUL SOON; AND WILL CONTACT U.S. MISSION RE ADB'S METROPOLITAN WATER INTAKE PROJECT. WISHES PERSUADE KOREANS TO ADD CONCRETE PIPE SPECIFICATIONS BEFORE GOING TO TENDER, BECAUSE CONFIDENT INTERPACE'S CONCRETE PIPE COMPETITIVE. WE INFORMED HIM OF RELATED GIST OF YOUR REF C, AND ADB'S EXPLANATION (REF B).

2. FLYNN DISCUSSED MATTER WITH ADB STAFF, AND USADB FOLLOW-UP INDICATES FOLLOWING SITUATION. POSITION OF ADB STAFF IS THAT IMPORTED CONCRETE PIPE NOT INITIALLY CONSIDERED; DECISION BASED ON FAVORING STEEL OVER CONCRETE PIPE (BOTH LOCALLY MADE) BECAUSE LIMITED OFFICIAL USE

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BELIEVED QUALITY OF LOCAL CONCRETE PIPE NOT ADEQUATE TO MAKE IT

A COMPETITOR OF STEEL. NOW STAFF ARE CONVINCED (AFTER CHECKING INFORMALLY WITH OTHER CONSULTANTS) THAT CONCRETE PIPE OF HIGH QUALITY IS POSSIBLE AND IN THAT CASE CAN BE COMPETITIVE IN LINE WITH WORLD-WIDE PRACTICE. STAFF REGARD THIS AS NEW INFO WHICH CALLS FOR INCLUSION CONCRETE PIPE SPECS. IF FLYNN FINDS KOREANS BALK, HE SHOULD LET THEM KNOW AND BANK WILL INTERCEDE. STAFF BELIEVES MATTER ULTIMATELY A TECHNICAL AS WELL AS PRICE JUDGEMENT AND WILL RELY ULTIMATELY ON JUDGEMENT OF THE INTERNATIONAL CONSULTANT WHO IS TO REVIEW DESIGNS OF KOREAN CONSULTANT.

3. WOULD APPRECIATE U.S. MISSION INFORMING FLYNN CONTENTS PARA 2, PROVIDING ANY HELP POSSIBLE HIS EFFORT, AND INFORMING US OF RESULTS. SEEMS GOOD OPPORTUNITY TO ENSURE REAL COMPETITION AND BELIEVE THIS ADVANCE WORK OF U.S. SUPPLIER THIS DIRECTION SHOULD BE ENCOURAGED.  
HAMILTON

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NNN

## Message Attributes

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